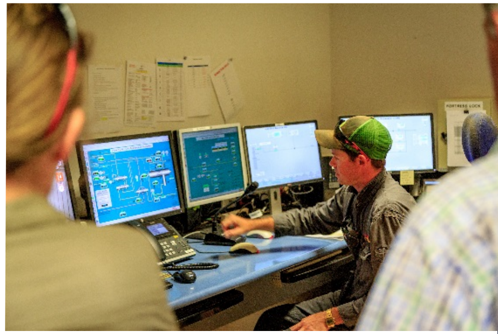


March 2019 Quarterly Review

Webinar presentation – 14 May 2019

Central Petroleum Limited (ASX:CTP)

Central Petroleum

Exploration Company with Free Cash Flow

- ❑ Solid March 2019 quarter performance demonstrates how we can generate significant and recurring Free Cash Flow (FCF)*

- ❑ Two major free-carry exploration drilling programmes happening now: Dukas and ATP 2031

- ❑ From 2020+ new high-potential exploration activities to be organically funded from FCF

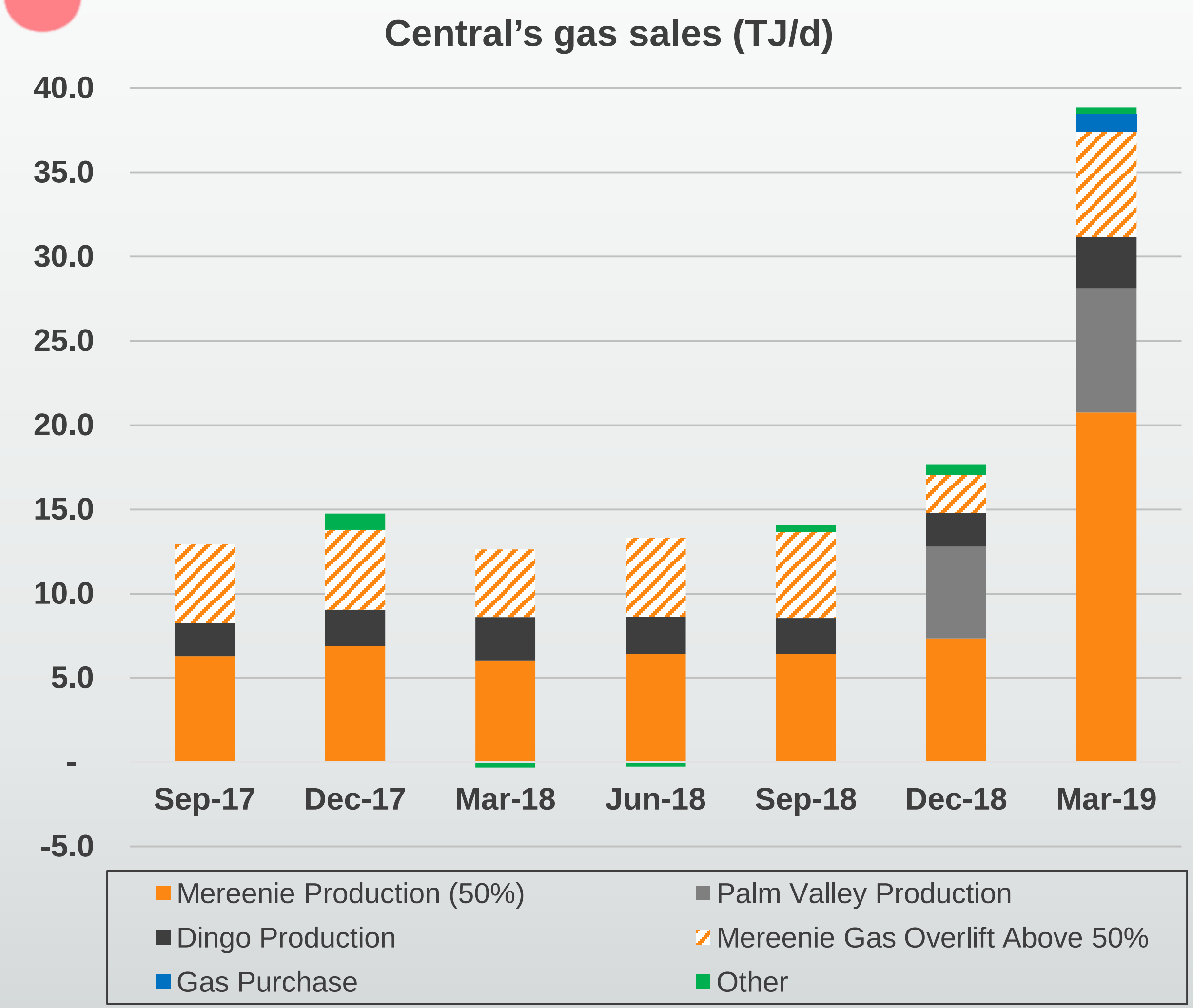
- ❑ Significant underexplored and gas-prone exploration portfolio connected to east coast with the potential to now generate significant shareholder value

* *Free Cash Flow is defined as cash flow before debt service, growth related capital expenditure, and non-recurring exploration costs.*

Delivering on our gas strategy

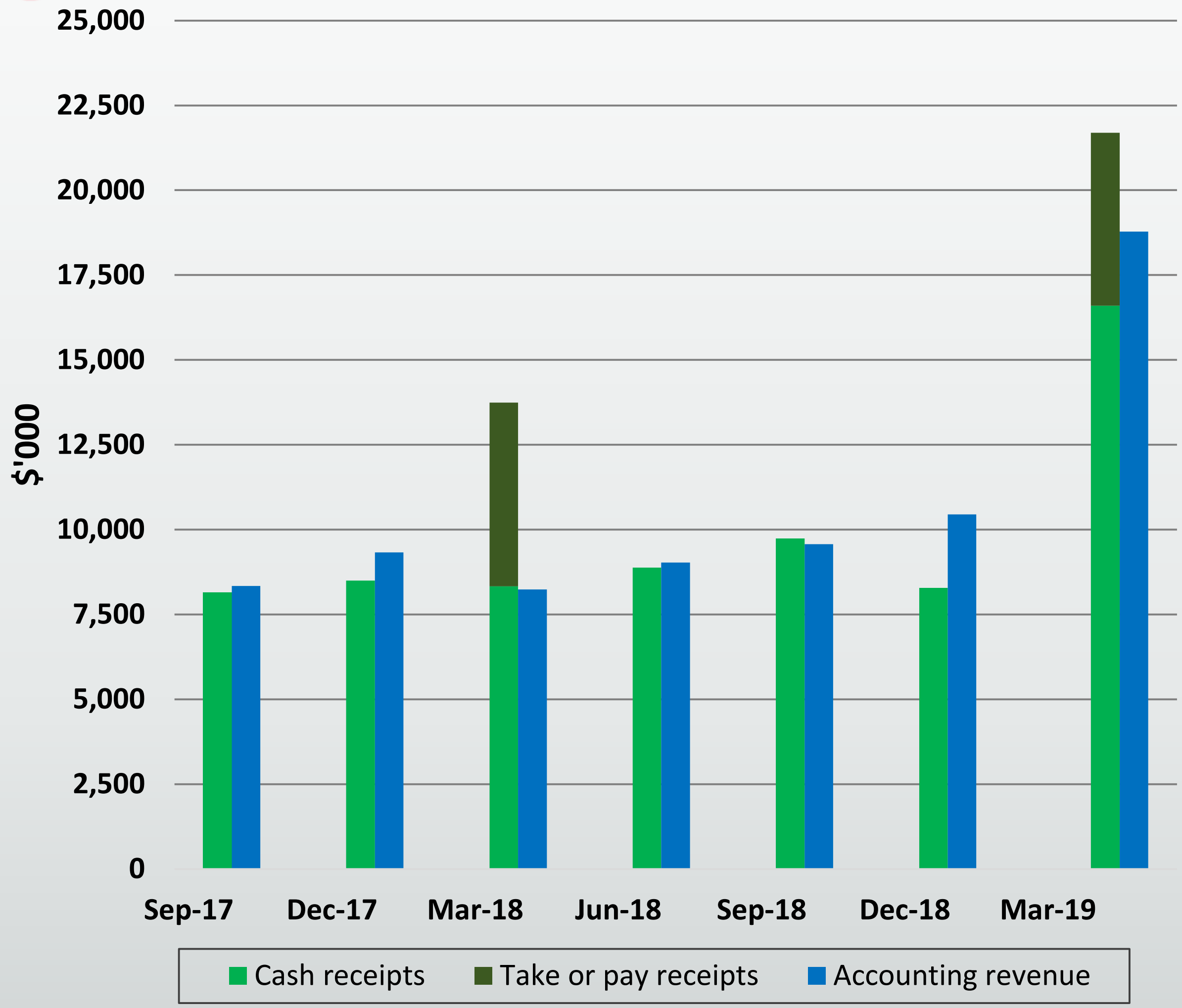
- ✓ 2 Significant gas related farm-outs in 2012 (Santos and Total)
- ✓ Acquired 3 producing gas fields in 2014/15 at pre-Northern Gas Pipeline (NGP) prices
- ✓ Delivered the Gas Acceleration Program (GAP):
  - largest project undertaken by Central
  - delivered plant capacity increase on time and within available funding
- ✓ NGP now complete and operational (3 Jan 2019)
- ✓ March 2019 quarter delivered nearly 3x sales volume:
  - significant FCF from normal operations for the first time
  - opportunity to create significantly more value from existing producing assets
- ✓ <u>This is just the start</u>: Potential company-changing free-carry exploration in 2019 and new high-potential exploration activities organically funded from 2020 with the objective of creating significant shareholder value

Gas sales volume



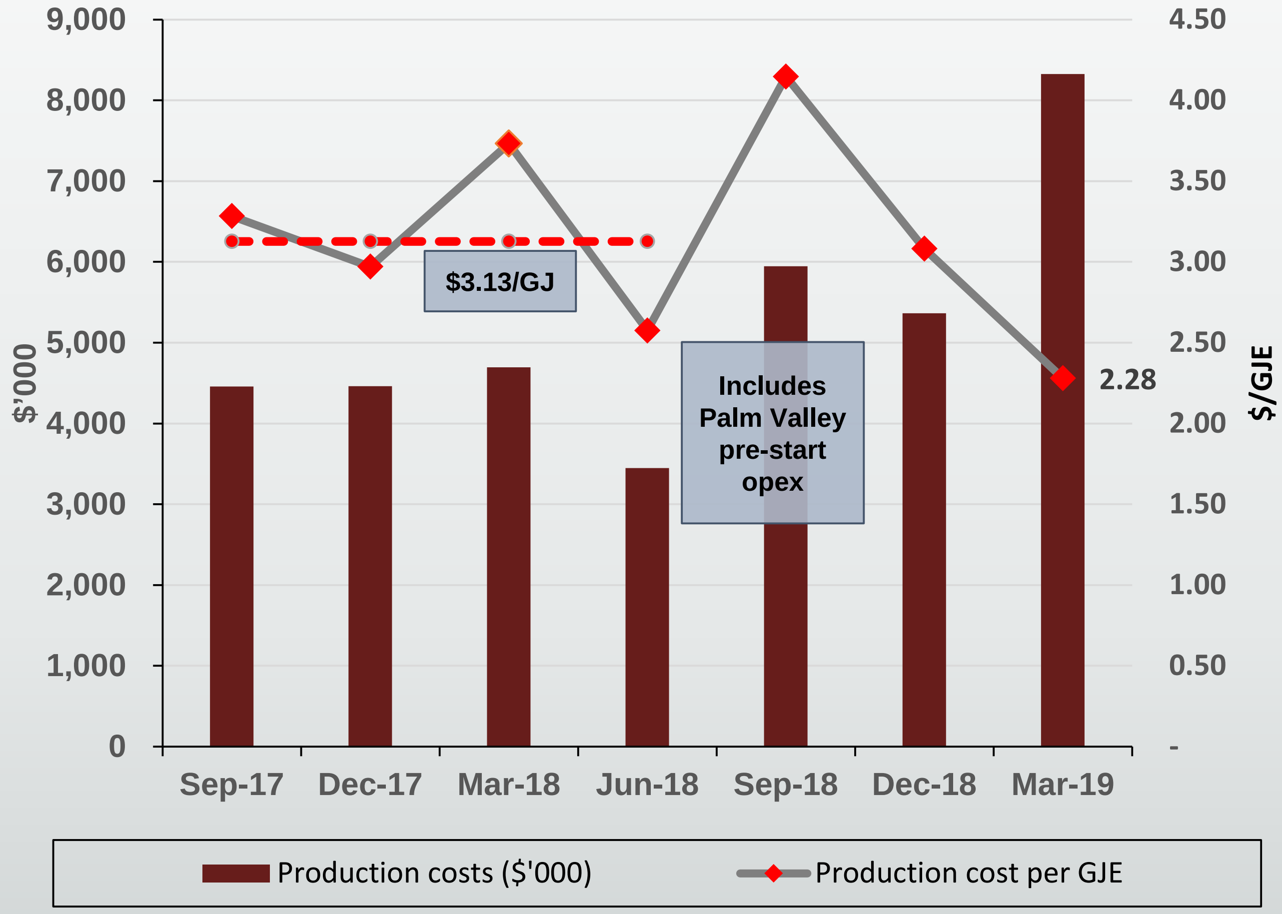
- March quarter gas sales averaged 38.9 TJ/d (3.5PJ), nearly 3x FY2018 average of 13.3 TJ/d
  - 31.3 TJ/d net equity production (3 fields)
  - 6.2 TJ/d Mereenie overlift
  - 1.4 TJ/d other (line pack / gas purchases)
- Palm Valley field production below expectation at 7.4 TJ/d – field review underway, PV13 online in May
- Mereenie equity production of 20.8 TJ/d - increased over quarter and expect production to exceed target of 22 TJ/d going forward
- PV 13 production (from May) and increasing Mereenie equity production will replace overlifting going forward. Overlift imbalance of ~4.6 PJs to be repaid by underlifting same amount toward end of reserve life
- A gas purchase agreement put in place for 2019 to mitigate production risk (e.g. low equity production and no overlift available)

Total sales and $/GJE



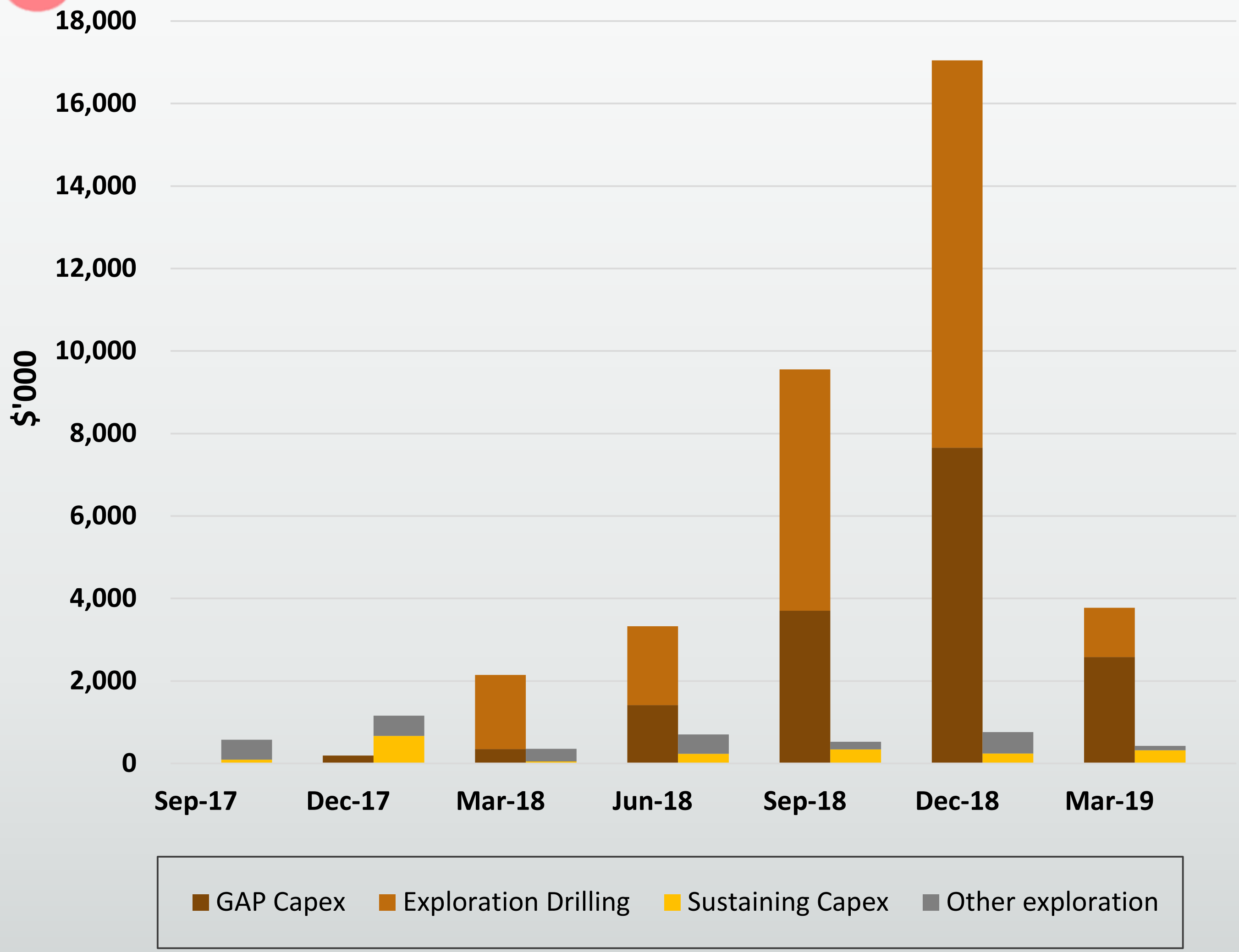
- **Total cash receipts of $16.6M (excluding ToP)**
  - 1 month lag in cash receipts for gas sales (sales increase between Mar-19 v Dec-18 not visible in March quarter cashflow)
  - excludes value for 413 TJs of pre-sale deliveries
- **Adjusted value of $18.78M (excluding ToP)**
  - remove 1 month lag (March 2019 gas sales now visible)
  - includes accounting revenue for 413 TJs of pre-sale deliveries
  - adjusted value better reflects the value received for 3.65 PJE in total sales volume over the quarter
- **Average adjusted sale price of $5.14/GJE**
  - oil sales now much less significant reducing average $/GJE from prior quarters
  - accounting price for pre-sale volumes reduces average $/GJE
  - Strong current gas market suggests higher gas prices will become visible after 2019 – gas marketing well advanced

Production costs (cash basis)



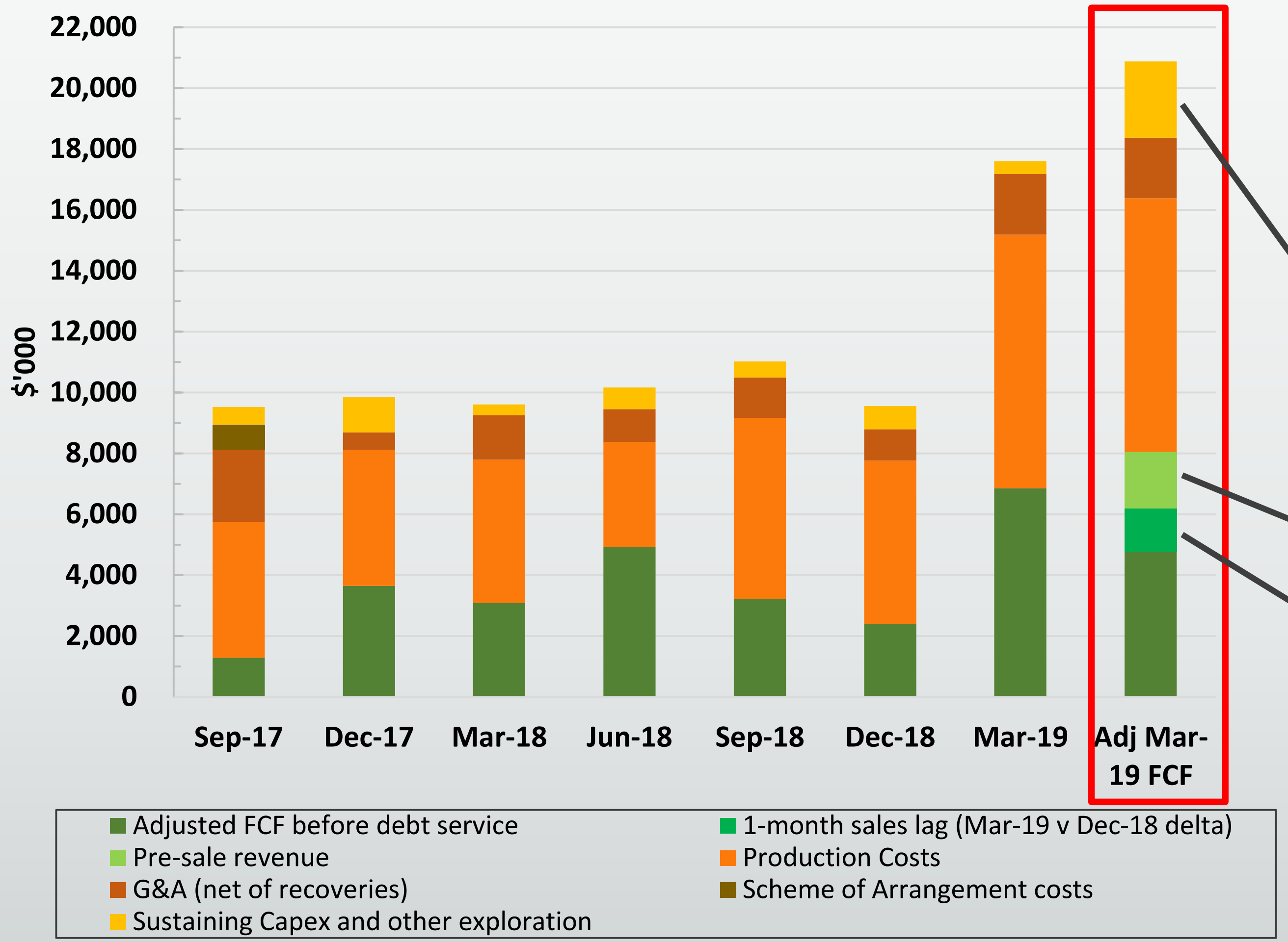
- Total cash production costs in March quarter up 95% on FY2018 average reflecting higher sales
- Unit cash production cost of $2.28/GJE, down from $3.13/GJE in FY2018
- 1 month lag in some cash production costs are not anticipated to be material for March quarter given one-off transportation costs in December
- Total adjusted sale price of $5.14/GJE would indicate operating margins in the order of $2.75/GJE to $3.00/GJE
- Margin is a key financial metric given transportation charges appear in both revenue (via delivered vs ex-field pricing) and production costs

Capital expenditure and exploration (cash basis)



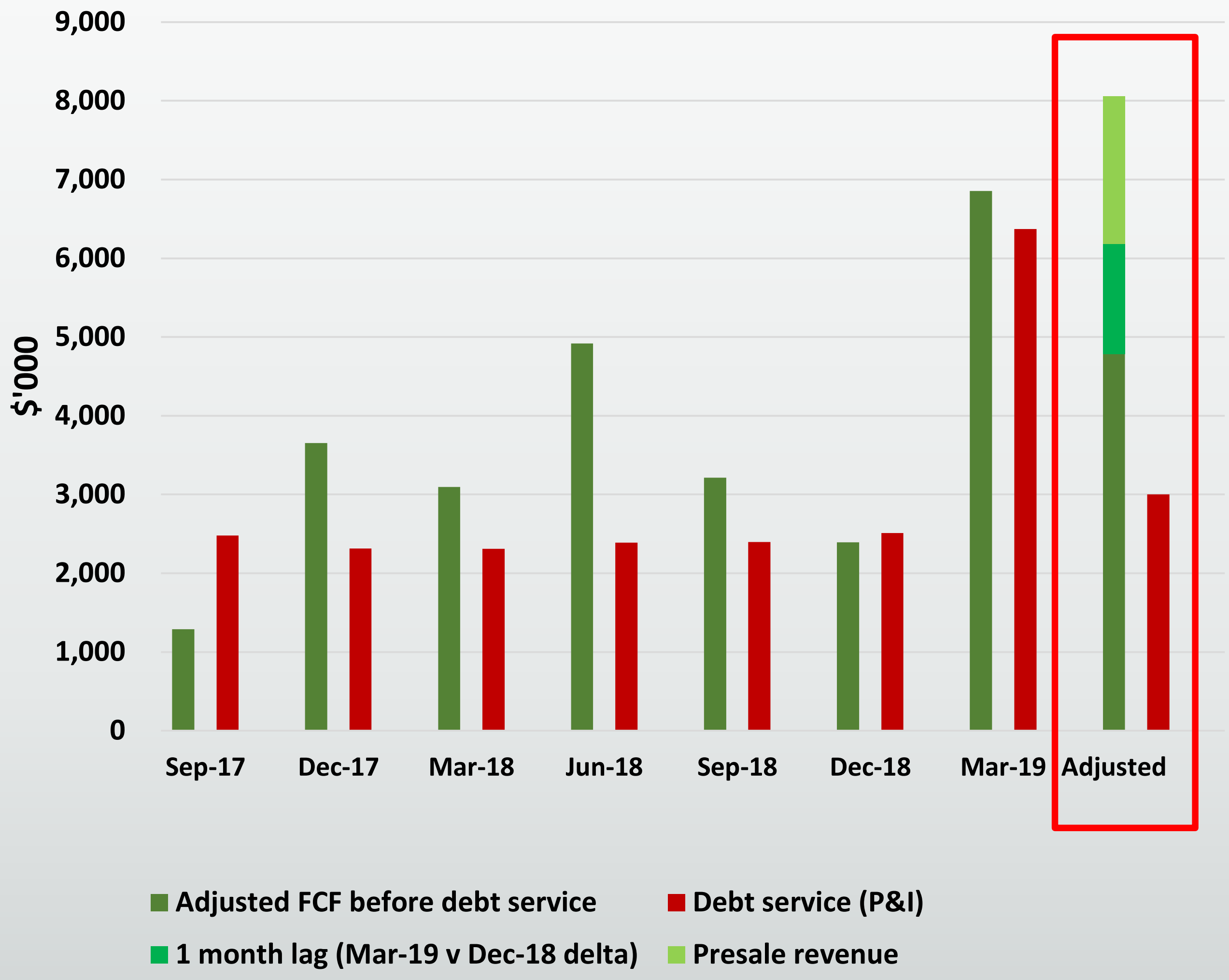
- Over $35 million in one-off growth related capex and exploration drilling associated with the GAP so far
- GAP completed except for PV13 tie-in, $6M of remaining GAP costs still to be paid over next few months
- Sustaining capex and other exploration costs are lumpy and difficult to predict
- Go forward average for sustaining capex and other exploration could be in the order of **$2.5M/quarter**, inclusive of production drilling and recurring exploration costs

Adjusted FCF before debt service



- Adjusted CF calculated as total cash receipts adjusted for ToP accrual (allocated to quarter actually generated)
- Sustaining Capex and other exploration costs exclude non-recurring GAP costs (comparable to stable go-forward operations)
- Adjusted FCF before debt service for March 2019 quarter would increase from $6.9 million to $8.1 million if adjusted to:
  - Increase sustaining capex and other exploration to $2.5M target (-$2 million)
  - include accounting value of pre-sale delivery (+$2 million)
  - remove the 1-month cashflow lag in sales (+$1 million)

Adjusted FCF and debt service



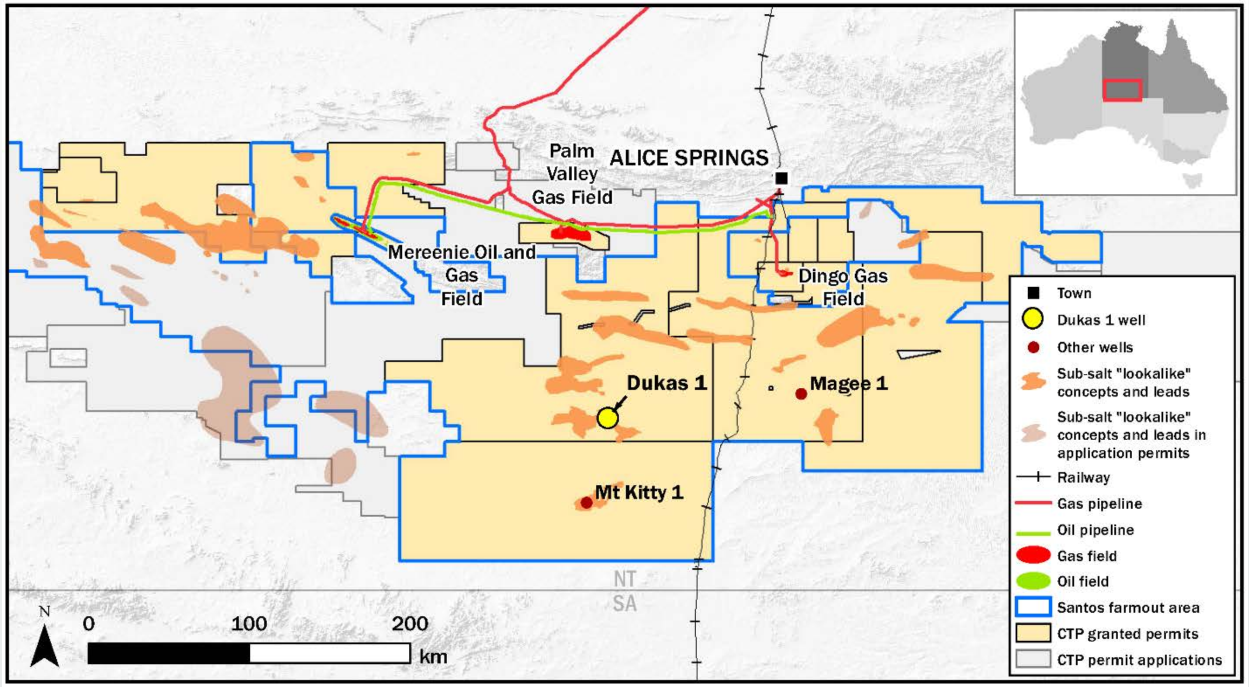
- Accelerated debt repayment schedule in 2019 ($22M) will reduce total debt by 23%
- From 2020, total debt service of $3M per quarter could amortise remaining debt over 7 years
- Based on the adjusted March quarter and $3M/quarter in debt service, Adjusted FCF would be in the order of:
  - **$25M/yr ($13M/yr after debt)** from 2020, increasing to
  - **$32M/yr ($20M/yr after debt)** after 2021 when pre-sale expires

More value from production assets

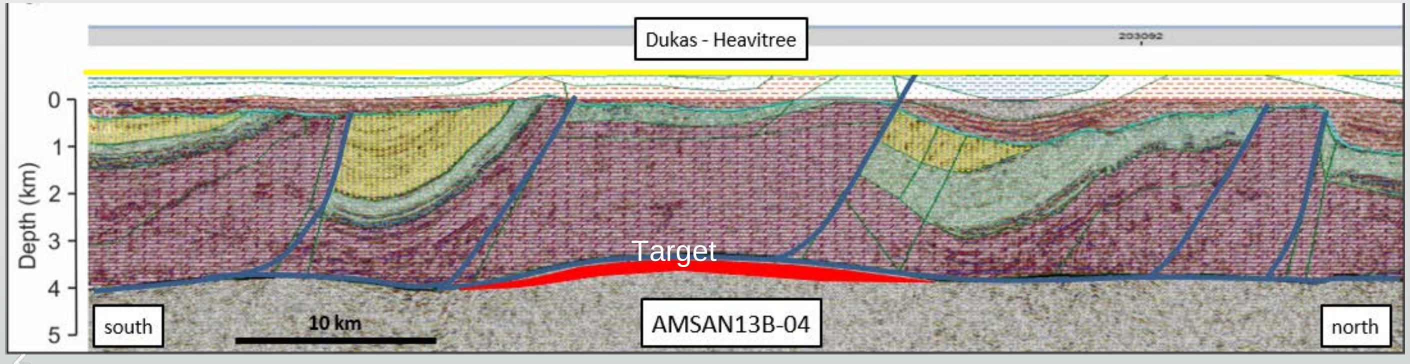
- ❑ Increase Mereenie equity production up to 29 TJ/d (Phase 2 capacity)
- ❑ Optimise field production and operations
- ❑ Increase average $/GJE sales price by executing 2020+ gas marketing
- ❑ Reduce cost of production / GJE through operating efficiencies

If we can increase margins by $.50/GJE, it would add circa $7 million per year in FCF after debt service based on current sales.

Dukas-1 Exploration Well Update



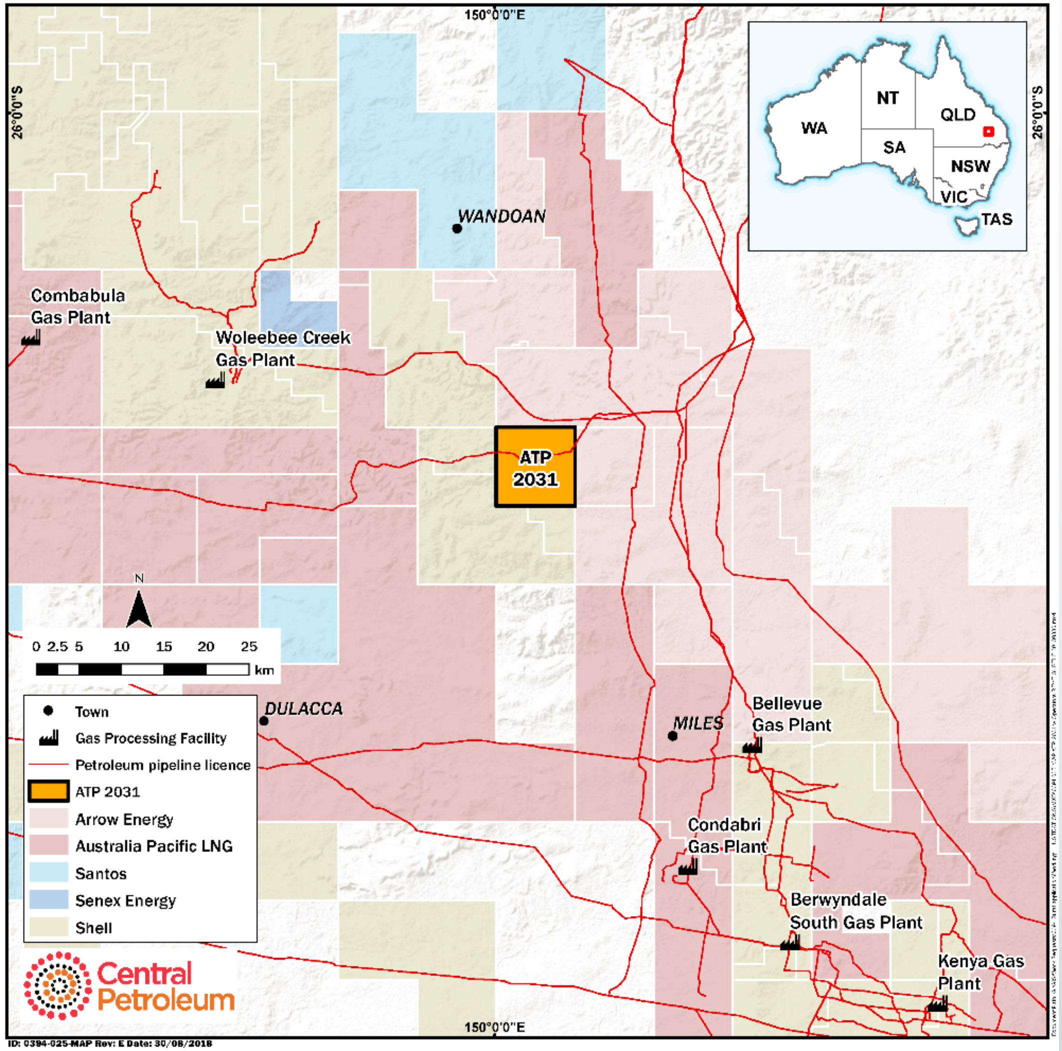
Location of Dukas-1 in relation to other large pre-salt leads in the CTP permits



Geologic x-section constructed from forward modelling of gravity data constrained by seismic interpretation.

- Potentially multi-TCF prospect with several “look-alike” structures in the basin
- 2 wells have previously encountered hydrocarbons and helium in sub-salt play in the basin
- Dukas-1 exploration well drilling circa 1,275 metres (1/3 to estimated total depth)
- If successful, the Dukas prospect will be Company changing (1TCF = circa 300 PJs net to Central)
- News flow anticipated from mid-year

Queensland Surat basin CSG – Range Gas Project



- 77km^2 CSG acreage in Queensland surrounded by Shell, Arrow and APLNG
- Targeting 150-180 PJ* potentially recoverable (75 – 90 PJ net to Central)*
- Drilling programme to commence in June quarter (drill rig availability)
- If successful, ATP 2031 would have significant value for Central
- News flow anticipated from mid-year

** Estimate by Queensland Government as part of the tender process*

Other Updates

Surprise:

- Surprise was “shut in” mid-2015 due to rapid decline in production, increased water take, and lower oil prices (production <100bpd at the time)
- Wellhead pressure indicates some degree of recharge of the near well bore reservoir
- Given increase in oil prices, options for a restart have been reviewed
- With increased environmental standards, upfront restart costs will be material
- Subsurface studies are now required to investigate the cause of the rapid production decline and whether it can be rectified

Mereenie Stairway:

- WM26 well disappointing due to unexpected mineralisation
- Information on Stairway gas shows from existing wells and other technical work could identify areas with lower risk of mineralisation
- Remains a potential appraisal opportunity to increase Mereenie reserve base

Looking Forward…

- Drive more value from producing assets:
  - increase sales through Phase 2 expansion Mereenie
  - optimise field production and operations
  - increase pricing through 2020+ gas marketing
  - reduce operating costs / GJE

- Use FCF to Reduce gearing through accelerated debt repayment in 2019

- Complete Dukas and ATP 2031 free-carry exploration activities through 2019

- Use FCF to fund new high-potential exploration activities with the objective of generating shareholder value

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